

BELSHAW ADAMATIC BAKERY GROUP - TERMS & CONDITIONS OF PURCHASE 2/1/2015

1. Acceptance of Purchase Order.

- (a) The terms and conditions contained herein shall govern the purchase of products and services (collectively, the "Products") pursuant to a purchase order (the "Order") issued to Seller by Belshaw Adamatic Bakery Group ("BABG"), subject to any additional terms and conditions appearing on the face of the Order. In the event there is a conflict between the terms and conditions appearing on the face of an Order and the terms and conditions herein, the terms and conditions on the face of an Order shall prevail.
- (b) If the Order is construed as an offer by BABG, Seller's acceptance is strictly limited to the terms of this offer and BABG hereby notifies Seller of its objection to any different or additional terms in Seller's acceptance. If the Order is construed as BABG's acceptance of Seller's offer, this acceptance is expressly conditional on BABG's additional written assent to any terms additional to or different from Seller's offer contained herein. Acceptance of the Products delivered under the Order shall not constitute acceptance of any terms additional to or different from Seller's offer contained herein or on the face of an Order unless BABG's additional written assent has been provided.

2. Prices and Payment Terms.

- (a) Seller's price must be as stated in the Order.
- (b) The purchase price for each Product shall be all-inclusive and represents the sole and exclusive consideration to Seller hereunder for the Product, except for taxes that are calculated directly on the purchase price payments made by BABG hereunder and which Seller is legally required to collect and pay over to tax authorities. The taxes for which BABG is responsible shall include sales and use taxes, but shall exclude, without limitation, Seller's franchise or business taxes, taxes based on Seller's income or gross receipts and taxes for which BABG is exempt by law as shown by a valid tax exemption certificate, when such a certificate is required.
- (c) Terms of payment are net thirty (30) days, either after receipt of Seller's valid invoice or after receipt of the Products, whichever is later.
- (d) BABG may withhold and apply any moneys payable by it under the Order to the payment of any obligations of Seller to any subcontractors or suppliers.

3. Delivery and Risk of Loss.

- (a) Each delivery of Products to BABG shall be DDP (Incoterms 2010) unless otherwise negotiated with BABG include a packing list, which contains at least the following items: i) the Order number; ii) Seller's part number; iii) BABG's part number; iv) quantity shipped; and v) the date of shipment.
- (b) Seller shall give BABG written notice promptly upon determining that any or all Products under an Order will not arrive by the required delivery date and will take all reasonable steps at Seller's own cost to expedite delivery. If only a portion of the Products is available for shipment to meet the required delivery date, Seller shall ship the available Products unless directed by BABG to reschedule shipment.
- (c) Time is of the essence. If Seller fails to deliver on time, BABG may purchase replacement products elsewhere and Seller will be liable for costs and damages that BABG incurs.
- (d) BABG reserves the right to suspend shipment of all or part of the Order in the event of strikes, lockouts, or other labor disturbances, or other contingencies beyond BABG's control.

4. Inspection.

All material, workmanship and Products shall be subject to inspection and test at all reasonable times and places by BABG or BABG's customer before, during and after performance and delivery. BABG may require Seller to repair, replace or reimburse the purchase price of rejected materials or BABG may accept any Products and, upon discovery of nonconformance, may reject or keep and rework any such Products not so conforming. Cost of repair, rework, replacement, inspection, transportation, repackaging and/or re-inspection by BABG shall be at Seller's expense. BABG's acceptance of Products shall not be deemed to diminish BABG's rights or be final or binding on BABG if latent defects, fraud or misrepresentation on the part of Seller exists. If inspection and testing are made on the premises of Seller or Seller's lower-tier subcontractors, Seller shall furnish without additional charge all reasonable facilities, information and assistance necessary for the safe and

convenient inspection and test required by the inspectors in the performance of their duty. BABG's failure to inspect shall not relieve Seller of any responsibility to perform according to the terms of the Order.

5. Warranty.

- (a) Seller hereby warrants to BABG and BABG's customers that, for a period of one (1) year following BABG's acceptance of the Products hereunder (the "Warranty Period") if there is a significant time between BABG accepting goods from Seller to shipping final goods to BABG's customers, Seller warranty period will be one (1) year from delivery by BABG to customers, such Product shall: i) be fit for its intended purpose and be of merchantable quality; ii) be free from defects in materials, workmanship, and design; iii) conform strictly to the performance, functionality and other specifications and descriptions set forth in Seller's catalogs, product brochures, or other representations, depictions, samples or models; and iv) conform strictly to all specifications, drawings and descriptions referenced or set forth in the Order (collectively, the "Performance Warranty"). The Performance Warranty shall survive the termination and expiration of the Warranty Period with respect to any claim made by BABG prior to such termination or expiration. Seller agrees that BABG's customers may enforce such Performance Warranty against Seller on, in and for such customer's own behalf, name and benefit, and that BABG may enforce such Performance Warranty against Seller on, in and for BABG's or such customer's behalf, name or benefit.
- (b) During the Warranty Period, Seller shall, at no additional cost to BABG, credit or replace at BABG's option any Product that fails to conform to its Performance Warranty in any respect whatsoever (each, a "Defective Product"). If BABG's option is for credit, Seller shall grant BABG a credit equal to the full amount of the purchase price originally paid by BABG for the Product plus any applicable taxes paid. If BABG's option is to replace such Product, the replacement Product must conform to the Performance Warranty in all respects ("Conforming Product(s)"). Replacement Products must be new product; no repaired or remanufactured product will be accepted. Seller shall replace, at BABG's option, each Defective Product and re-deliver a Conforming Product to BABG as soon as possible, and in all events no later than five (5) days after notice that a Product is a Defective Product. In the event that Seller fails to do so, BABG shall be entitled to an immediate and full refund of the purchase price paid to Seller for such Defective Product. All return shipments of Defective Products to Seller shall be at Seller's sole cost, risk, and expense. Seller shall bear all shipping costs for warranty returns and replacements. Seller shall bear all reasonable direct and indirect costs and expenses incurred by BABG to replace a Defective Product with a Conforming Product, including, but not limited to, labor and travel expenses. BABG has the right to return Product on a per occurrence basis. No minimum quantity shall be required for returns.

6. Compliance with Laws.

- (a) Seller represents, warrants and covenants that all of the Products, merchandise, and materials delivered and/or services rendered hereunder will be, and will have been produced and/or provided, in compliance with all applicable laws, rules, regulations, orders, treaties and other requirements of federal, national, state, provincial and local/municipal governments and agencies (collectively, "Laws"), and that Seller and Seller's business do and will comply with all Laws.
- (b) If any of the Products are imported into any other country, Seller will be responsible for all legal, regulatory and administrative requirements associated with any importation and the payment of all associated duties, taxes and fees. Upon BABG's request, Seller shall provide BABG with an appropriate certification stating the country of origin for Products, sufficient to satisfy the requirements of: i) the customs authorities of the country of receipt; and ii) any applicable export licensing regulations.
- (c) Seller represents and warrants that it will comply with all Laws relating to import and export of goods, including, without limitation, obtaining all necessary import and export licenses and clearances. At BABG's request, Seller shall supply to BABG requested information related to export or import of goods. Seller has and at all times will comply in all respects with the Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-1, et seq., as amended).

7. Indemnification.

- (a) SELLER SHALL INDEMNIFY, HOLD HARMLESS AND, AT BUYER'S REQUEST, DEFEND BUYER, ITS OFFICERS, DIRECTORS, CUSTOMERS, AGENTS AND EMPLOYEES, AGAINST ALL CLAIMS, SUITS, LIABILITIES, DAMAGES, LOSSES AND EXPENSES, INCLUDING ATTORNEYS' FEES AND COSTS OF SUIT ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PRODUCTS PROVIDED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION: i) ANY CLAIM BASED ON THE DEATH OR BODILY INJURY TO ANY PERSON, DESTRUCTION OR DAMAGE TO PROPERTY, FOR COMMERCIAL DAMAGES INCLUDING LOST PROFITS, OR FOR CONTAMINATION OF THE ENVIRONMENT AND ANY ASSOCIATED CLEAN UP COSTS, REGARDLESS OF WHETHER A CLAIM IS BASED IN WHOLE OR IN PART ON THE ALLEGED OR ACTUAL NEGLIGENCE, STRICT LIABILITY, BREACH OF WARRANTY, OR OTHER ACTIONABLE CONDUCT OR OMISSION OF BUYER; ii) ANY CLAIM BY A THIRD PARTY AGAINST BUYER ALLEGING THAT THE PRODUCTS OR SERVICES PROVIDED UNDER THIS AGREEMENT, INFRINGE A PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER PROPRIETARY RIGHT OF A THIRD PARTY, WHETHER SUCH ARE PROVIDED ALONE OR IN COMBINATION WITH OTHER PRODUCTS, SOFTWARE OR PROCESSES. SELLER SHALL NOT SETTLE ANY SUCH SUIT OR CLAIM WITHOUT BUYER'S PRIOR WRITTEN APPROVAL. SELLER AGREES TO PAY OR REIMBURSE ALL COSTS THAT MAY BE INCURRED BY BUYER IN ENFORCING THIS INDEMNITY, INCLUDING ATTORNEY'S FEES. IN THE EVENT EITHER PARTY TO THIS AGREEMENT OR ANY ORDER BRINGS SUIT TO ENFORCE OR INTERPRET ANY PART OF THIS AGREEMENT OR THE ORDER, THE PARTY DETERMINED TO BE THE PARTY PREVAILING SHALL BE ENTITLED TO RECOVER AS

AN ELEMENT OF COSTS OF SUIT, AND NOT AS DAMAGES, IN ADDITION TO ALL OTHER SUMS THAT EITHER PARTY MAY BE CALLED ON TO PAY, ITS ATTORNEY'S FEES AND COSTS OF INVESTIGATION.

- (b) Without limiting the generality of section (a) above, if the use by BABG of any Product is enjoined (the "Infringing Product"), Seller shall at its expense use its best efforts to procure the right for BABG to continue using the Infringing Product. If Seller is unable to do so, Seller shall at its expense: (i) replace the Infringing Product with a non-infringing product; (ii) modify the Infringing Product to be non-infringing; or (iii) if unable to replace or modify the Infringing Product, refund in full all amounts paid by BABG for the Infringing Product.

8. Insurance.

Seller agrees to obtain and maintain the following insurance policies at Seller's sole cost and expense (collectively, "Insurance Policies"):

- (a) Commercial General Liability Insurance covering liability for property damage, personal injury and death arising out of operations, products-completed operations, contractual liability, with minimum limits of \$5 million per occurrence (the "CGL Policy");
- (b) Automobile Liability Insurance covering liability arising out of any auto (including owned, hired, leased, operated and non-owned autos) with minimum limits of \$1 million per occurrence combined single limit (the "Auto Liability Policy");
- (c) Statutory Workers' Compensation insurance as required by applicable law (the "Workers' Compensation Policy").
- (d) BABG shall be named as an additional insured on the CGL Policy for all operations of Seller hereunder and for all liability for which Seller is responsible under the Order. The CGL Policy shall contain standard cross liability clauses, and Seller shall cause such policies to be endorsed to provide contractual liability coverage specifically covering this Agreement as an insured contract, if necessary, to obtain coverage of this Order thereunder. Except for insurance policies which are operative within Canada, the Workers Compensation Policy shall be endorsed to waive any right of subrogation against BABG. All Insurance Policies shall require that BABG be given at least thirty (30) days written notice of cancellation, non-renewal, or any material change therein.

9. Cancellation of Purchase Orders.

BABG may cancel any Order, in whole or in part, without further obligation or liability to Seller, at any time prior to Seller's shipment of the Product(s) covered by such Order by providing Seller written or electronic notice of such cancellation.

10. Termination.

BABG may at any time terminate all or part of Seller's performance hereunder by written notice to Seller. Upon receipt of such notice, Seller shall eliminate its performance and all orders and subcontracts to the extent they relate to such performance. Seller shall promptly advise BABG of the quantities of Products and raw material on hand or purchased prior to termination and of the most favorable disposition thereof. Seller shall comply with BABG's instructions regarding disposition of Products and raw materials. Seller shall submit to BABG written notice of its intent to submit claims based on such termination within fifteen (15) days from the date of notice of termination and detail and substantiate such claims within thirty (30) days thereafter, or Seller waives such claims in their entirety. BABG shall pay Seller the Order price of finished Products accepted by BABG, and the cost to Seller excluding profits and losses, of work in process and raw materials relating hereto, less the agreed value of any Products used or sold by Seller with BABG's consent. BABG may verify such claims at any reasonable time(s) by any reasonable method. BABG will not pay for finished work, work in process, or raw materials fabricated or procured by Seller unnecessarily in advance or in excess of BABG's delivery requirements hereunder. Notwithstanding the above, payments under this paragraph shall not exceed the aggregate price specified in the Order, less any payments made or to be made. Payment under this paragraph is BABG's only liability if the Order is terminated. To the extent the Order covers Products normally carried in Seller's inventory, BABG shall have no liability for any termination of the Order, in whole or in part, prior to shipment. If BABG sends notice of termination after receipt of Products, liability is limited to returning such Products and reimbursing Seller the direct cost of handling and transportation.

11. Special Tooling.

"Special Tooling" means all patterns, dies, fixtures, molds, jigs, models, gauges, inspection devices, special cutting tools, special test devices, drawings, templates and any replacements thereof, which, before the date hereof, Seller did not own or use and which Seller has been or will be required to acquire and use solely for purposes of furnishing Products hereunder, but excludes tools, capital items or property owned or furnished by BABG. Prior written approval for purchase of any Special Tooling is required, and such request shall detail each item and its price. Seller shall use all Special Tooling solely for performance of the Order or as BABG directs in writing, maintain Special Tooling in good condition, fully covered by insurance, and replace it at Seller's cost if lost, stolen, destroyed, or otherwise rendered unfit for use. Seller shall permit inspection and supply BABG with detailed statements of Special Tooling upon request. Upon completion, cancellation, or termination of work for which Special Tooling is required, Seller shall list Products and the Special Tooling used in connection therewith, including the unamortized cost and fair market value of each item, and shall in writing if BABG so elects, transfer possession and title of the Special Tooling to BABG, free and clear of liens and encumbrances, in exchange for the lesser of the unamortized cost or fair market value of the tooling. BABG may dispose of Special Tooling without taking possession thereof and receive any resulting salvage or resale revenues and may enter Seller's premises to obtain possession of any Special Tooling.

12. Ownership of Work Product.

- (a) For purposes of this Order, "Work Product" shall include, without limitation, all designs, discoveries, creations, works, devices, masks, models, work in progress, service deliverables, inventions, products, Special Tooling, computer programs, procedures, improvements, developments, drawings, notes, documents, business processes, information and materials made, conceived or developed by Seller alone or with others which result from or relate to the services performed or Products delivered hereunder. Standard Products manufactured by Seller and sold to BABG without having been designed, customized or modified in any way for BABG do not constitute Work Product. All Work Product shall at all times be and remain the sole and exclusive property of BABG. Seller hereby agrees to irrevocably assign and transfer to BABG and does hereby assign and transfer to BABG all of its worldwide right, title and interest in and to the Work Product including all associated intellectual property rights. Seller hereby waives any and all moral and other rights in any Work Product or any other intellectual property created, developed or acquired in respect of the Products. BABG will have the sole right to determine the treatment of any Work Product, including the right to keep it as trade secret, execute and file patent applications on it, to use and disclose it without prior patent application, to file registrations for copyright or trademark in its own name or to follow any other procedure that BABG deems appropriate. Seller agrees: i) to disclose promptly in writing to BABG all Work Product in its possession; ii) to assist BABG in every reasonable way, at BABG's expense, to secure, perfect, register, apply for, maintain, and defend for BABG's benefit all copyrights, patent rights, mask work rights, trade secret rights, and all other proprietary rights or statutory protections in and to the Work Product in BABG's name as it deems appropriate; and iii) to otherwise treat all Work Product as BABG Confidential Information as defined herein. These obligations to disclose, assist, execute and keep confidential survive the expiration or termination of this Agreement. All tools and equipment supplied by BABG to Seller shall remain the sole property of BABG.
- (b) Seller will ensure that Seller's subcontractors appropriately waive any and all claims and assign to BABG any and all rights or any interests in any Work Product or original works created in connection with this Order. Seller irrevocably agrees not to assert against BABG or its direct or indirect customers, assignees or licensees any claim of any intellectual property rights of BABG affecting the Work Product.
- (c) BABG will not have rights to any works conceived or reduced to practice by Seller which were developed entirely on Seller's own time without using equipment, supplies, facilities or trade secret or BABG Confidential Information, unless: i) such works relate to BABG's business, or BABG's actual or demonstrably anticipated research or development; or ii) such works result from any services performed by Seller for BABG.

13. Confidentiality.

Seller agrees that any information it obtains about BABG's existing or proposed products, manufacturing facilities or processes, and any other non-public information of BABG is BABG's confidential information. Seller agrees that it will maintain BABG's confidential information in strict confidence, will not disclose or disseminate the information to any third party, without BABG's express, prior written consent, and will use the information only for the purposes of fulfilling Seller's obligations under this Agreement or any Order. Seller will safeguard BABG's confidential information using the same standard of care Seller used for its own confidential information, but in any event not less than a reasonable standard of care. Seller agrees that it will disclose the confidential information provided by BABG only to Seller's employees, officers, directors, and consultants who (1) have signed agreements obligating them to keep the information in confidence, (2) have been advised of the confidential and proprietary nature of the information, and (3) have a need to know the information. The foregoing limitations shall not apply to information which Seller can demonstrate (by its written records) was (1) in the public domain at the time of its disclosure by BABG, (2) in Seller's possession at the time of its disclosure by BABG and was not acquired directly or indirectly from BABG, (3) published or became part of the public domain after its disclosure by BABG through no act or failure on Seller's part, or (4) obtained by Seller from a third party not owing obligations of confidence to BABG. Seller agrees that the information disclosed shall not be deemed to be in the public domain or in Seller's possession merely because it is embraced by more general information in the public domain or in Seller's possession, or merely because individual items of the information are in the public domain or Seller's possession.

14. Blanket Purchase Orders.

If Products purchased are covered under a blanket Order, no shipment can be made, or invoice issued, until a release Order is issued. Unauthorized shipments will be held at Seller's risk and expense. A blanket Order authorizes Seller to procure raw materials sufficient to meet delivery of the quantity of a release Order, but only to manufacture and deliver such respective quantities at such respective times as is indicated on the release Order provided by BABG. BABG will not assume any liability in the event Seller engages in any manufacture before the time specified, or in excess of the quantity required to meet such respective deliveries.

15. Changes in Process or Method of Manufacturing.

Seller agrees that it will not invoke any changes in process or method or location of manufacturing without BABG's prior written consent. Seller further agrees that any contemplated changes in process or method of manufacturing will be submitted to BABG in sufficient time to enable BABG a reasonable opportunity in which to evaluate such changes.

16. Non-Exclusive Agreement.

This is not an exclusive agreement. BABG is free to engage others to perform services or provide Products the same as or similar to Seller's. Seller is free to, and is encouraged to, advertise, offer and provide Seller's services and/or goods to others; provided however, that Seller does not breach this Agreement.

17. **Limitation of Liability.**
IN NO EVENT SHALL BUYER BE LIABLE TO SELLER OR SELLER'S AGENTS, SUBCONTRACTORS, OR ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, REGARDLESS OF WHETHER BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE AND REGARDLESS OF WHETHER SUCH DAMAGES WERE CAUSED BY BUYER'S NEGLIGENCE, BREACH OF CONTRACT, OR OTHER ACTIONABLE CONDUCT OR OMISSION.
18. **Publicity.**
Seller shall not, without the prior written consent of BABG, advertise or otherwise disclose that Seller has entered into the Order with BABG. Seller shall not use BABG's name or trademark in any press release, marketing or advertising materials without BABG's prior written consent.
19. **Waiver.**
No waiver of any provision of these terms and conditions (or any right or default hereunder) shall be effective unless in writing and signed by BABG. Any such waiver shall be effective only for the instance given, and shall not operate as a waiver with respect to any other rights or obligations under the Order or applicable law in connection with any other instances or circumstances.
20. **Entire Agreement.**
These terms and conditions, together with the terms on the face of any Order issued hereunder, constitute the final and entire agreement between BABG and Seller with respect to the purchase of Products and supersede any terms and conditions in any acknowledgement form, invoice or other document of Seller. These terms and conditions may be amended only by a written instrument duly executed by both Parties, and may not be amended orally or by course of performance. By acceptance of this Order the Seller agrees to be bound by all the terms and conditions hereof and to perform the same according to provisions. Upon such acceptance this Order shall become a contract between the Seller and the Purchaser and shall be binding upon their respective heirs, executors, administrators, successors and assigns with the same force and effect as though similar terms of succession and transfer had been repeated in each applicable instance throughout.
21. **Choice of Law.**
The validity, interpretation and performance of these terms and conditions and any purchase order made hereunder shall be governed exclusively by the laws of the State of Washington in force at the date of this purchase order. The United Nations Convention on Contracts for the International Sale of Goods is deemed waived and shall not apply. Where not modified by the terms herein, the provisions of Washington's enactment of Article 2 of the Uniform Commercial Code shall apply to the purchase of goods hereunder. Any disputes arising under or related to this Agreement, its interpretation, the rights and obligations of the parties hereunder, or the transactions contemplated hereby, shall be resolved in the state and federal courts located in King County, State of Washington, USA, and each party hereby irrevocably submits to the exclusive jurisdiction of such courts..
22. **Assignment.**
Seller may not assign, transfer or subcontract the performance of its services, or any of its rights and/or obligations hereunder, without BABG's prior written consent.
23. **Survival.**
The terms of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23 herein shall survive the termination, cancellation or expiration of this Order.